



Diners Club INTERNATIONAL

Market

Differently from a number of business sectors that in Croatia are just now adapting their businesses to the needs of the global market, Croatian credit card business has been for a long time completely equal to other card business of the most developed countries. This development Croatia has owing to the fact that credit card companies, and here we think primarily of Erste Card Club (ECC), have based their business in the past years on the development of very innovative products and services and were frequently upgraded. Beside that, thanks to Diners, which is the first global credit card brand on the Croatian market, present since 1969, the market has been developing for 40 years. As a result, the awareness of Croatian citizens about the possibility of using credit cards is very high. Nowadays it is possible to pay almost everything with Diners credit cards, and they are a recommendable method of paying whether it is about big or very small amounts. In fact, it is possible for those card users to choose between numerous opportunities to finance their monthly expenses, such as instalment payments with zero interest rate and no charges, revolving payments and many others. Numerous benefits of the Diners Club card were recognised by more than 460,000 users, and more than 85,000 points of sale throughout Croatia, with whom Erste Card Club (ECC), as the only issuer of Diners Club cards in Croatia, cooperates.

Achievements

What sets Diners Club apart is certainly the innovation in their products and services. ECC was the first credit card company to have offered Croatian citizens and companies a rewards program, collecting miles in the mileage program. Nowadays, Diners Club Croatia Airlines card holders participate in the biggest European mileage customer rewards program – Miles&More. Miles are collected by using the card daily on Diners Club points of sale in Croatia and abroad, by buying Croatia Airlines flight tickets as well as all Star Alliance members flight tickets. This programme is for both private and business users, which is a unique program on the Croatian market for business users. Last year, the first companion card on the Croatian market was launched – Visa Croatia Airlines card, issued exclusively with Diners Club Croatia Airlines card. Its launching enabled Diners' users to have access to global Visa points of sale.

After the successful launching of the cobranded

card with Croatia Airlines, ECC issues the only credit card for drivers – Diners Club HAK (Croatian Automobile Club). This card brings a whole package of all necessary services on the road, from road assistance in case of car accidents, discounts for car insurance, transport of broken-down cars, and all credit card services.

Apart from being the first to have been able to use unique products on the market, Diners card holders were also the first to take part in the loyalty rewards programme. With the aforementioned mileage programme and the starting rewards for users of Standard Diners Club cards, three other rewards programmes were developed: Exclusive, Billa and Medo Štedo.

Among the unique products is the Diners Club Medo Štedo credit card which ties necessary family spending with saving for children. With everyday spending over a period of 12 months, users collect the right to one year's fixed saving of Medo Štedo funds at the Erste bank. The interest rate is 10-13 percent and it depends on the number of collected points. This form of saving and spending was recognised by the owner of Diners Club, Discover Financial Services, which Diners Club Adriatic with the prestigious "Best New Initiative" award. The ECC got the same award in 2008 also for launching its new rewards programme, "dinersrano za vas" (dinersed for you) that launched the unique Diners Club Loyalty card on the market. The card enables users to use reward points collected in the loyalty programme for purchasing at all points of sale in the country and abroad.

Apart from the two awards for the best product, the owner of also awarded the ECC for launching the E-Card, for the development of on-line services and for launching the Diners D2D card, the first credit card in the world with two chips. By introducing the



Diners D2D card, the possibility of non-contact payment was opened for the first time on the Croatian market. This method of payment was practically applied for paying for public transport in Osijek, which gave the credit card the function of a tram and bus ticket for the first time.

Besides for being awarded for the best product, the Croatian franchise of the ECC was awarded the "Best Corporate Performance" award for the second time this year, for growth in the segment of corporate users. Also, the franchise was pronounced the best franchise of the EMEA region three times. That it is truly one of the most successful franchises of Diners Club in the world is also confirmed by the fact that the Croatian franchise was elected to the Global Advisory Board among the five most significant Diners Club franchises in the world.

History

For a full 40 years, the Diners Club has been a synonym for credit card in Croatia. Diners was the first global credit card brand to enter the Croatian market after the signing of the franchise agreement in 1969. In Croatia the history of Diners Club is tied to the development of tourism in the 1960s as a growing branch of the economy. Along with foreign guests in the Adriatic came the need to introduce new forms of payment in order to increase turnovers and improve the quality of services on offer.

With Croatia's independence in 1992, the Diners Club Adriatic d.d. was established. In early 2007 it was acquired by Vienna-based Erste der Oesterreichischen Sparkassen AG (Erste Bank). As a member of the Erste Bank Group, the company



adapted its business to the group's standards, because of which it changed its name by the end of 2008 into Erste Card Club d.d. and from the start of 2009, the Croatian franchise has been conducting business under this name. Over the year 2008, changes in the ownership structure occurred in the structure of the global brand. America's City Bank sold the Diners Club brand to one of the biggest credit card companies in the USA, Discover Financial Service (DFS), making the DFS the new owner of the Croatian franchise.

Product

Knowing that each market segment has its specific needs, the cards from the Diners Club portfolio try to meet every one of them. On offer are private and business cards which are segmented depending on offered specifics. Among private credit cards are those offering various benefits for different generations. There are also cobrand cards issued in cooperation with ECC partners, as well as the most prestigious Diners Club Exclusive Card. Corporate users are offered cards that suit the needs of their business, whether they are large companies or institutions, or small and middle-scale companies. It is important to stress that the ECC is the only one to offer to its corporate users the possibility of choosing a cobrand card on the market, offering them significant savings in business.

Of all the cards on the ECC's offer, the one that stands out is the private and corporate Diners Club Exclusive card. It is intended for the special segment of premium users with specific lifestyles and spending habits. Additional valuable benefits have been prepared for these card holders, such as: voluntary health insurance policy payment, travel insurance and accident insurance, around the clock, 24 hours a day. These policies make users of the Exclusive card feel safe travelling and gives them the possibility of taking care of their health. Moreover, in order to make their travels as pleasant as possible, the card enables them free parking at the Zagreb Airport with the possibility of transport with a driver to the airport and back. Every year, a Diners Club Exclusive party is organised, which due to music stars and organisation is an event of the season. Since this segment of users is particular, the card has been designed to visually present the specific user. Therefore, this product is also followed by exclusively designed materials, such as a unique anthracite envelope, an elegant box in which the product is packaged and specially designed memos and other materials.

Apart from care for its exclusive members, the ECC takes special care about users of other Diners Club cards who spend more. Diners gives such users tickets to cultural events, designs special discounts for

them, as well as various other benefits. Also, it organises a Diners Club Golf tournament whose winners participate at the prestigious Diners Club International Pro&Am golf tournament that takes place at the most famous golf fields across the world.

The ECC insures all Diners card users with an insurance policy in case of an accident 24 hours a day, while it insures users of the Diners Club Croatia Airlines and Diners corporate cards with a travel insurance policy. Also, wishing to additionally award the loyalty of its clients, the company wishes all members a happy birthday with an appropriate gift.

Since the Diners card is primarily a means of payment, the ECC developed various models of financing spending. First of all, there is payment on instalments, revolving credit, the Diners Plus card and others. ECC was the first credit card company that made possible payment in instalments via the Diners Club cards. Today, the card users can purchase items on two to 12 instalments without interest or fees at over 2,000 points of sale. Apart from this for of purchasing, there is the payment in up to 36 instalments at 17,000 points of sale. The ECC is the only credit card company to offer its clients payment in instalments abroad as well, which, thanks to the Diners Club Plus card. Another form of financing is revolving credit which enables users to pay their monthly bill in the maximum amount of four percent, 100 kuna minimally.

Recent Developments

In order to enable the holders of Diners credit cards a more favourable payment method for their summer or winter holidays, the ECC introduced a new benefit, a web shop for Diners Club Travel. The pages of the web shop offer an insight into special hotel offers, a calculation of the price and the possibility of paying for accommodation with the credit card. Since it is an offer which offers all services of a travel agency in the comfort of the clients' homes, another benefit is that it is possible to print out all the necessary documents per payment immediately upon payment. The ECC enables all users of Diners Club cards additional discounts on prices – seven percent on a one-off payment and five percent for payment in two to 12 instalments. Also, on occasion of the 40th anniversary of business, Diners launched new, redesigned cards with a vertical card face, which is yet another distinction of Diners Club cards.



Crni biser kartičarstva

Promotion

The ECC widely advertises products and services of Diners Club and communicates with its cardmembers via direct advertising channels. Within the global strategy Diners Club in Croatia recognises the specific characteristics of the local market, and creates campaigns to match global standards with their messages and implementation. The quality of Diners Club Adriatic TV and radio commercial spots was acknowledged and rewarded by Diners Club International on several occasions, and the Diners Club Exclusive party was voted the best publicity event in Croatia.

Knowing that the satisfaction of existing members is as equally important as getting potential users, Diners Club has established channels it uses in sending generalised or strictly segmented, even individualised, commercials. In this segment, special attention is paid to being interactive because the web has been acknowledged as a medium with which communication with members can be established, depending on their needs and information they seek.

The promotion of Diners Club is based on systematic market research, where the division to new and existing Diners card users is also evident.

Brand Values

Apart from the Diners Club brand being perceived as one of the most prominent credit card brands on the Croatian market, the ECC builds its value on socially responsible conduct. Although it changes these projects year in and year out, the ECC has been taking part in the "Top stipendija za top studente" (Top Scholarship for Top Students) initiative every year. The ECC recognised the value of taking part in the project since its very beginnings because of its wholesome planned concept. Each year, the most talented 100 Croatian students is selected by the Deans' Council, and 32 by the Scholarship Council.

www.erstecardclub.hr
www.diners.com.hr

THINGS YOU DIDN'T KNOW ABOUT...

Diners Club

- As soon as 1967 the Diners card was accepted in 130 countries of the world, while at the same time, the UN had only 122 members.
- Today it is accepted in 210 countries of the world and substitutes 196 world currencies.